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SECTION II

COMMENTS (From Original Addressee)

TO : LEGISLATIVE COUNSEL
OFFICE OF GENERAL COUNSEL

FROM:

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Office of General Counsel

The Bill requires the prime contractor, with respect to Government lump-sum construction contracts, ^{to name} in his bid his subcontractor for the mechanical speciality work involved. (Mechanical speciality work means plumbing, heating, piping, air conditioning, refrigerating, ventilating and electrical work.)

The purpose of the Bill, according to the House report (H. Rep. 2362), is to improve procedures of Federal agencies with respect to Federal construction contracts so as to obtain the benefit of greater competition and also to eliminate abuses and unfair trade practices of "bid shopping". Bid shopping is the practice whereby the prime contractor, after being awarded a contract, shops around to get a lower bid on the work to be subcontracted than the amount included in the prime contract. Under this practice the subcontractor is at a disadvantage, since the prime contractor has been awarded the contract while the subcontractor has not.

Excluded from the Act are contracts involving construction outside the continental United States, construction not exceeding \$100,000 and construction with respect to which the contracting executive agency determines that the procedure prescribed by the Bill will result in undue delay and that the public exigency will not admit of such delay.

There seems to be no particular Agency interest and no Legislative Counsel action needed. I spoke to the Chief of Real Estate and Construction Division who has not yet seen the Bill but is going to look into it.

S 1644/w/H. Rep. 2362

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*Failed of passage
under suspension of Rules in the House*

DATE OF COMMENTS

18 July 1956

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EXTENSION

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